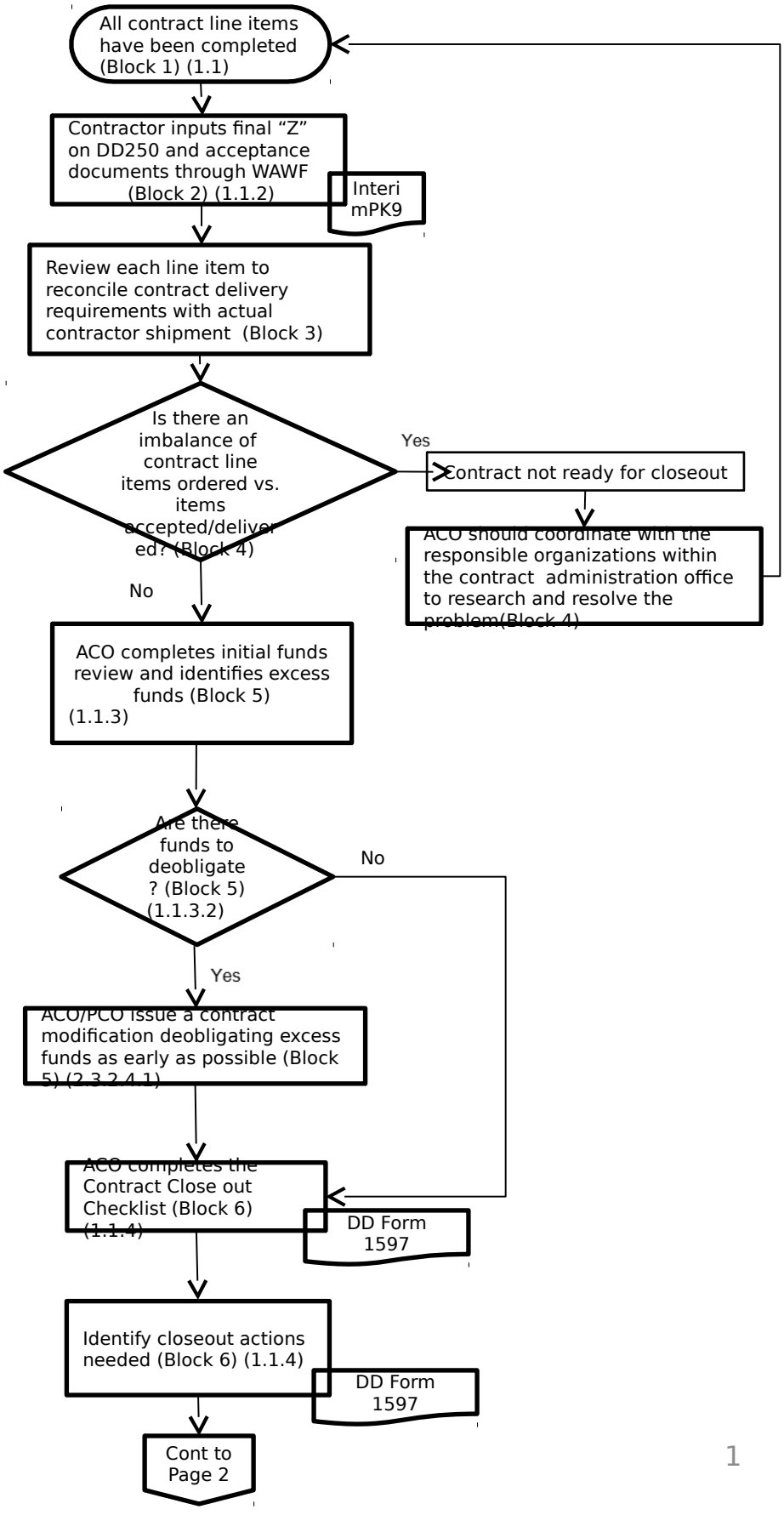
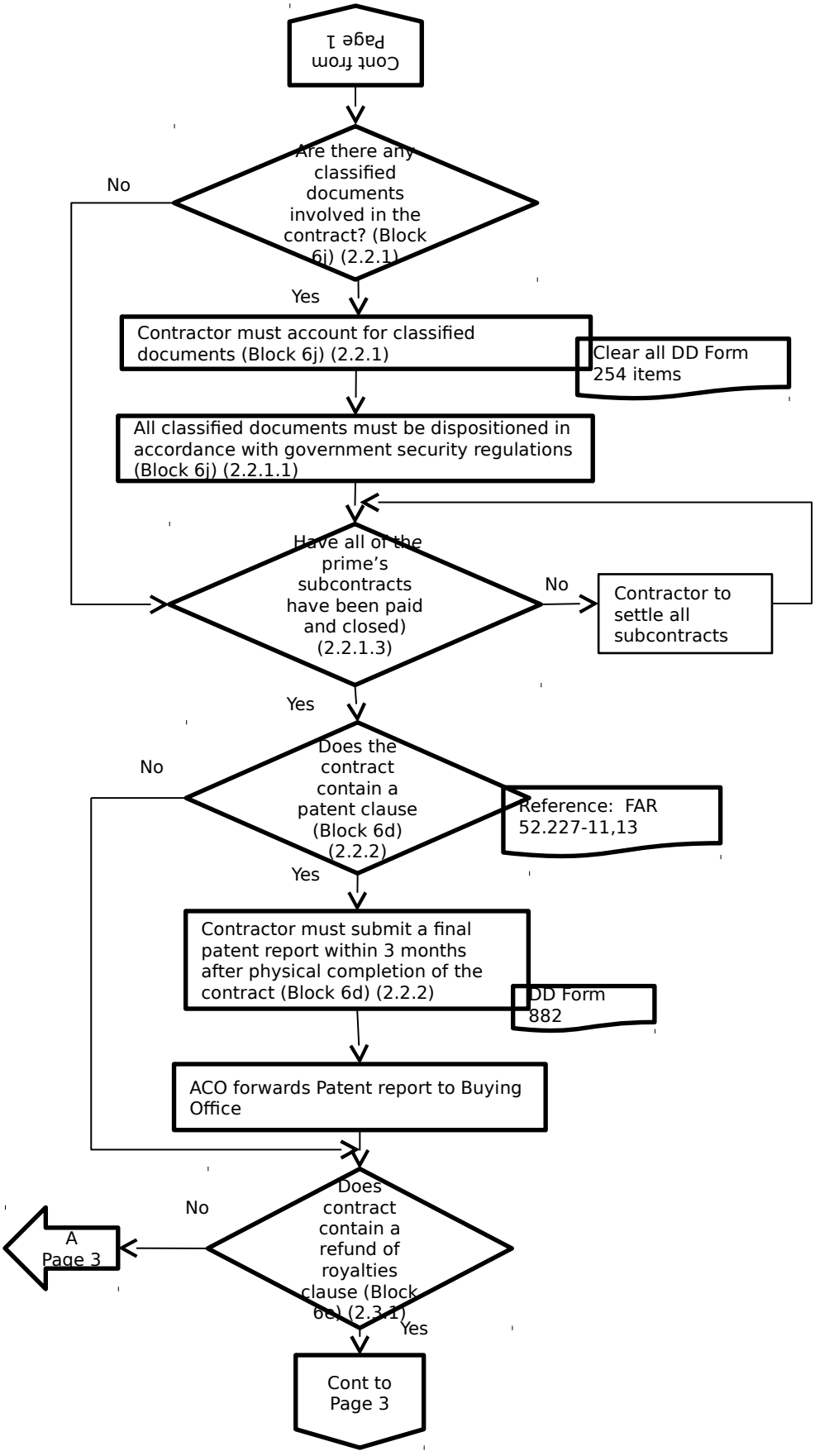
Contract Close Out


All contract line items have been completed (Block 1) (1.1)
Contractor inputs final "Z" on DD250 and acceptance documents through WAWF (Block 2) (1.1.2)
Interi mPK9
Review each line item to reconcile contract delivery requirements with actual contractor shipment (Block 3)
Is there an imbalance of contract line items ordered vs. items accepted/delivered? (Block 4)
Yes
Contract not ready for closeout
ACO should coordinate with the responsible organizations within the contract administration office to research and resolve the problem(Block 4)
No
ACO completes initial funds review and identifies excess funds (Block 5) (1.1.3)
Are there funds to deobligate ? (Block 5) (1.1.3.2)
No
Yes
ACO/PCO issue a contract modification deobligating excess funds as early as possible (Block 5) (2.3.2.4.1)
ACO completes the Contract Close out Checklist (Block 6) (1.1.4)
DD Form 1597
Identify closeout actions needed (Block 6) (1.1.4)
DD Form 1597
Cont to Page 2

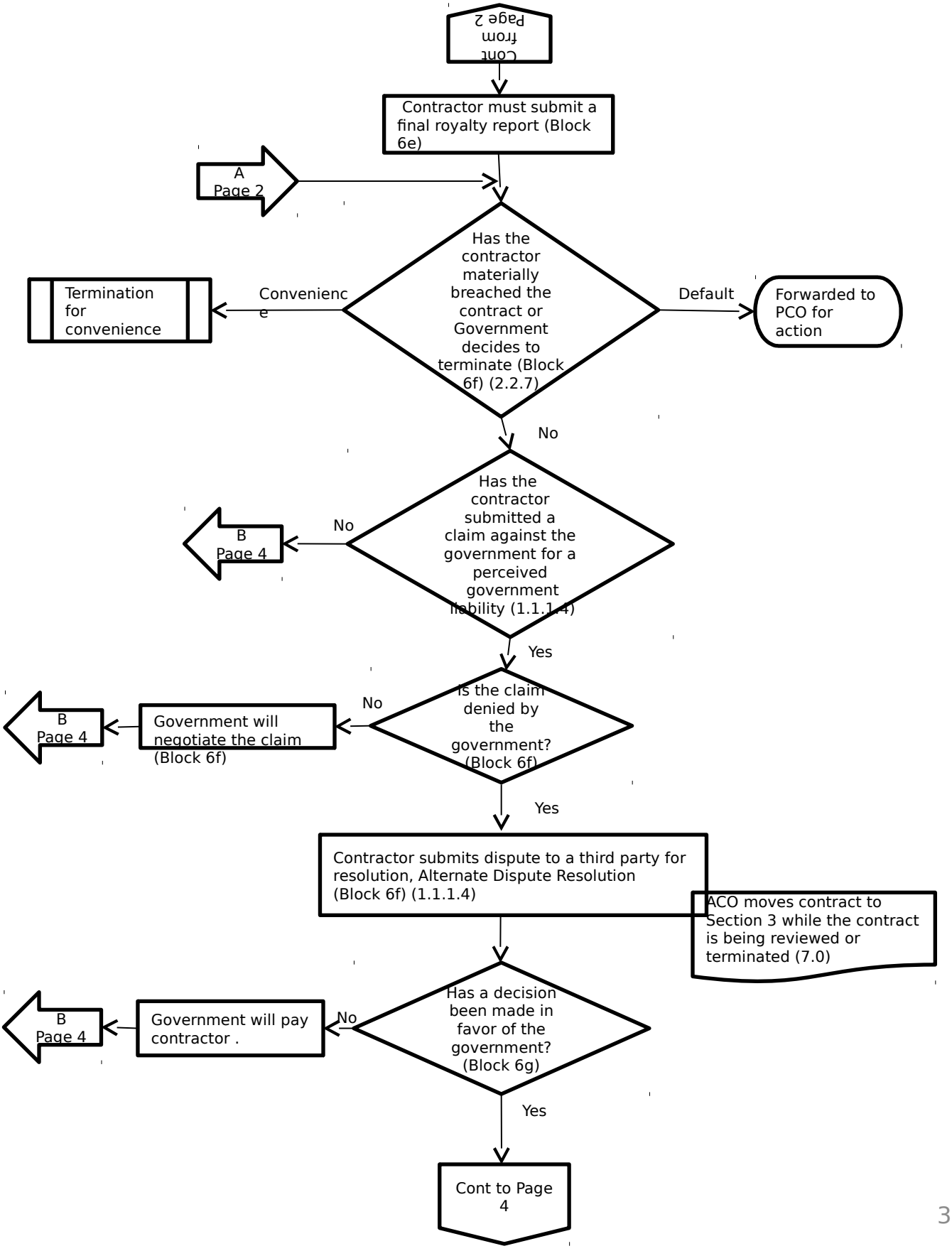
Legend:

- **Block #** - Refers to Flowchart Descriptions
- **Numbers (#)-** in Parentheses refers to Instructions

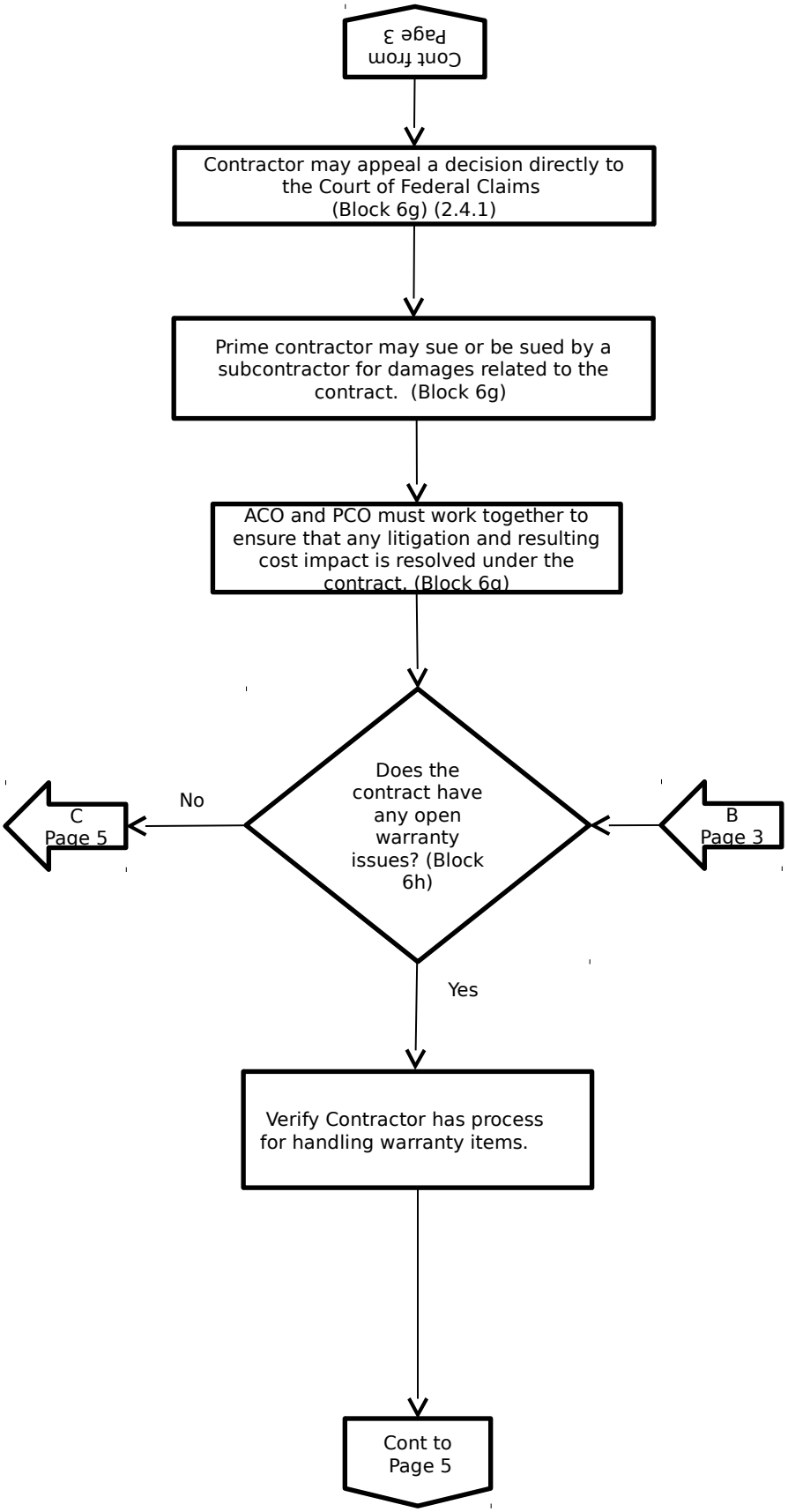
Contract Close Out


Cont from Page 1
Are there any classified documents involved in the contract? (Block 6j) (2.2.1)
No
Yes
Contractor must account for classified documents (Block 6j) (2.2.1)
Clear all DD Form 254 items
All classified documents must be dispositioned in accordance with government security regulations (Block 6j) (2.2.1.1)
Have all of the prime's subcontracts have been paid and closed) (2.2.1.3)
No
Contractor to settle all subcontracts
Yes
Does the contract contain a patent clause (Block 6d) (2.2.2)
No
Reference: FAR 52.227-11,13
Yes
Contractor must submit a final patent report within 3 months after physical completion of the contract (Block 6d) (2.2.2)
DD Form 882
ACO forwards Patent report to Buying Office
Does contract contain a refund of royalties clause (Block 6e) (2.3.1)
No
A Page 3
Yes
Cont to Page 3

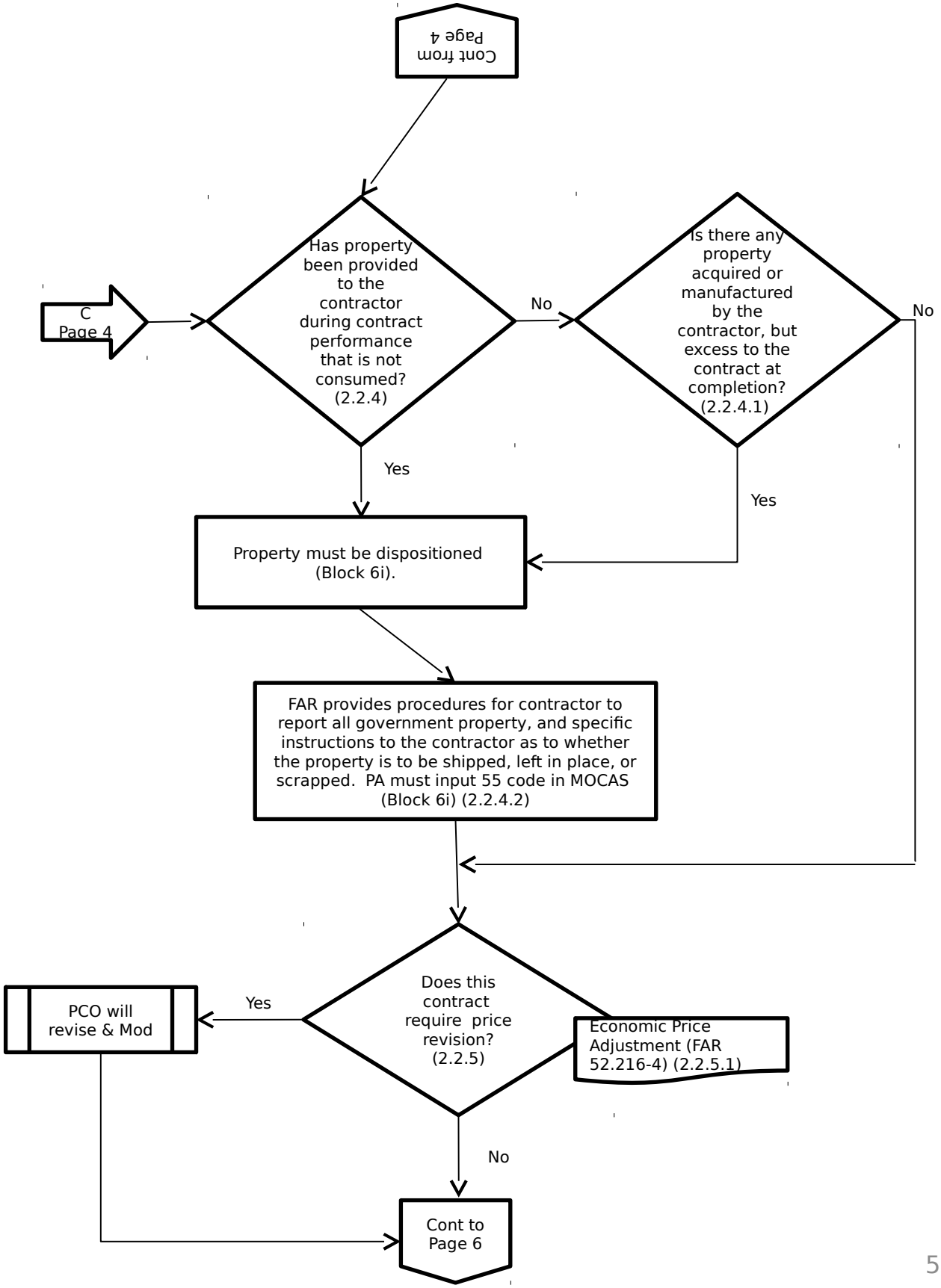
Contract Close Out


Cont from Page 2
Contractor must submit a final royalty report (Block 6e)
A Page 2
Has the contractor materially breached the contract or Government decides to terminate (Block 6f) (2.2.7)
Convenience
Termination for convenience
Default
Forwarded to PCO for action
No
Has the contractor submitted a claim against the government for a perceived government liability (1.1.1.4)
No
B Page 4
Yes
Is the claim denied by the government? (Block 6f)
No
Government will negotiate the claim (Block 6f)
B Page 4
Yes
Contractor submits dispute to a third party for resolution, Alternate Dispute Resolution (Block 6f) (1.1.1.4)
ACO moves contract to Section 3 while the contract is being reviewed or terminated (7.0)
Has a decision been made in favor of the government? (Block 6g)
No
Government will pay contractor .
B Page 4
Yes
Cont to Page 4

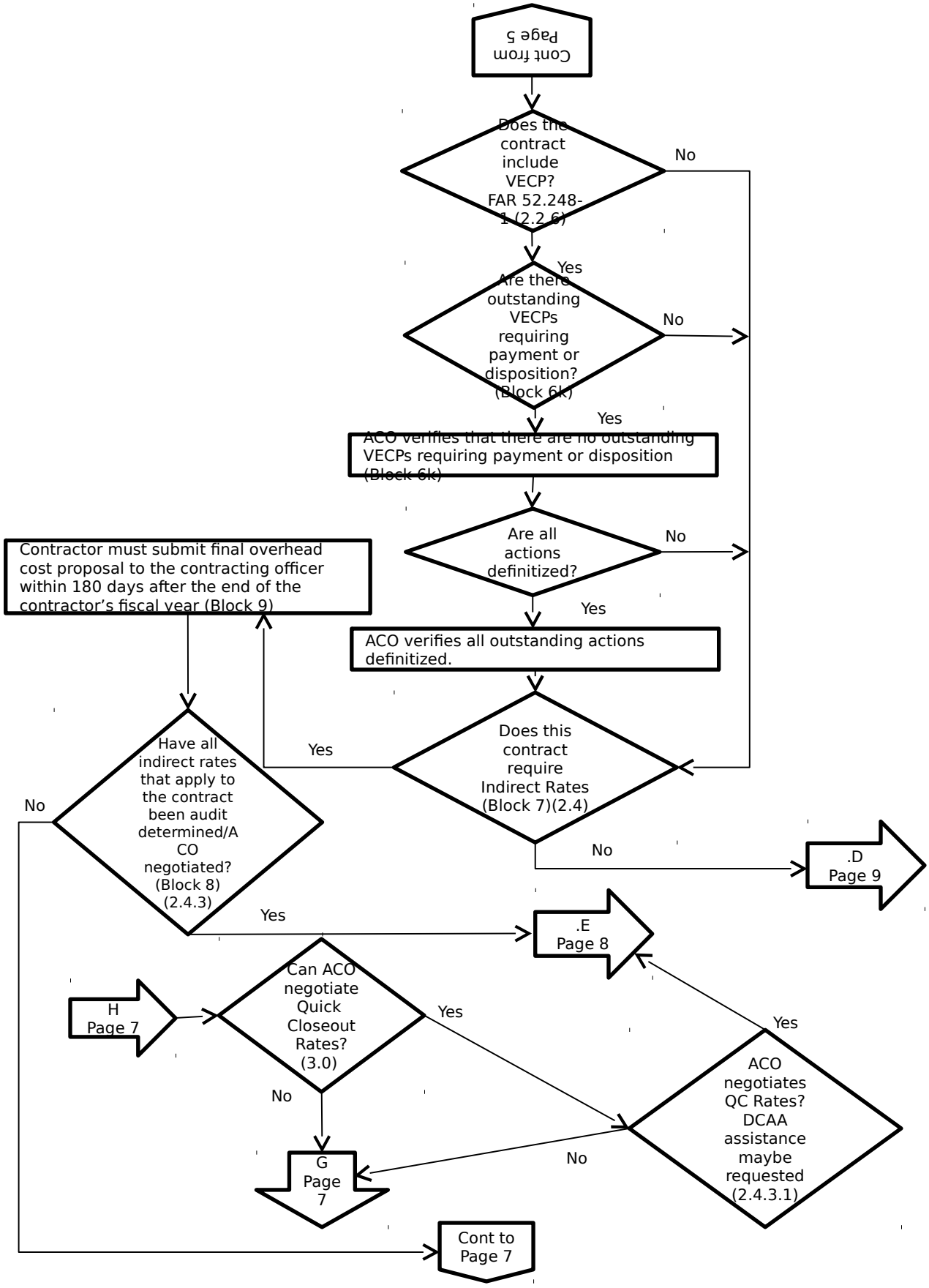
Contract Close Out


Cont from Page 3
Contractor may appeal a decision directly to the Court of Federal Claims (Block 6g) (2.4.1)
Prime contractor may sue or be sued by a subcontractor for damages related to the contract. (Block 6g)
ACO and PCO must work together to ensure that any litigation and resulting cost impact is resolved under the contract. (Block 6g)
Does the contract have any open warranty issues? (Block 6h)
No
C Page 5
B Page 3
Yes
Verify Contractor has process for handling warranty items.
Cont to Page 5

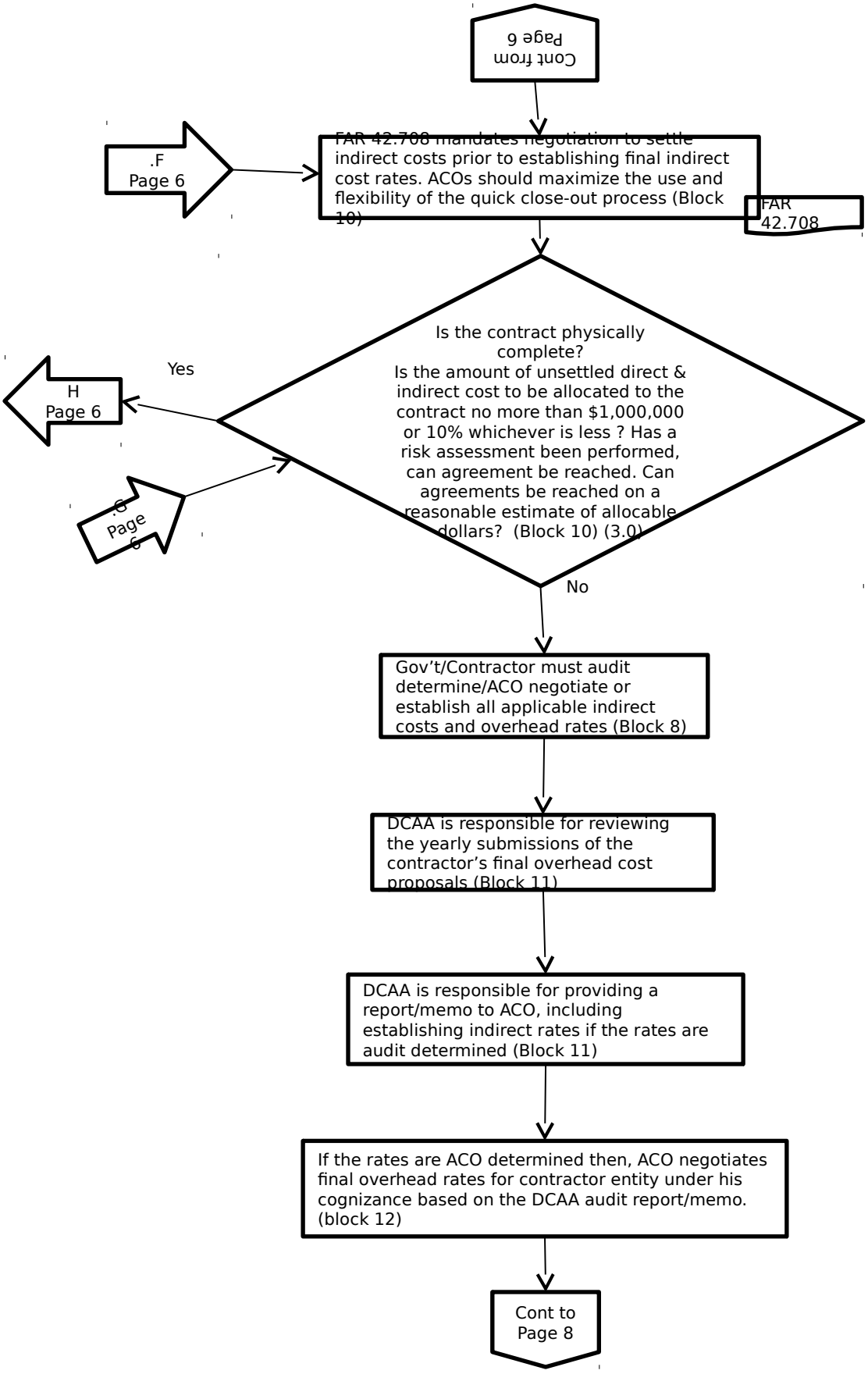
Contract Close Out


Cont from Page 4
C Page 4
Has property been provided to the contractor during contract performance that is not consumed? (2.2.4)
No
Is there any property acquired or manufactured by the contractor, but excess to the contract at completion? (2.2.4.1)
No
Yes
Yes
Property must be dispositioned (Block 6i).
FAR provides procedures for contractor to report all government property, and specific instructions to the contractor as to whether the property is to be shipped, left in place, or scrapped. PA must input 55 code in MOCAS (Block 6i) (2.2.4.2)
Does this contract require price revision? (2.2.5)
Yes
PCO will revise & Mod
Economic Price Adjustment (FAR 52.216-4) (2.2.5.1)
No
Cont to Page 6

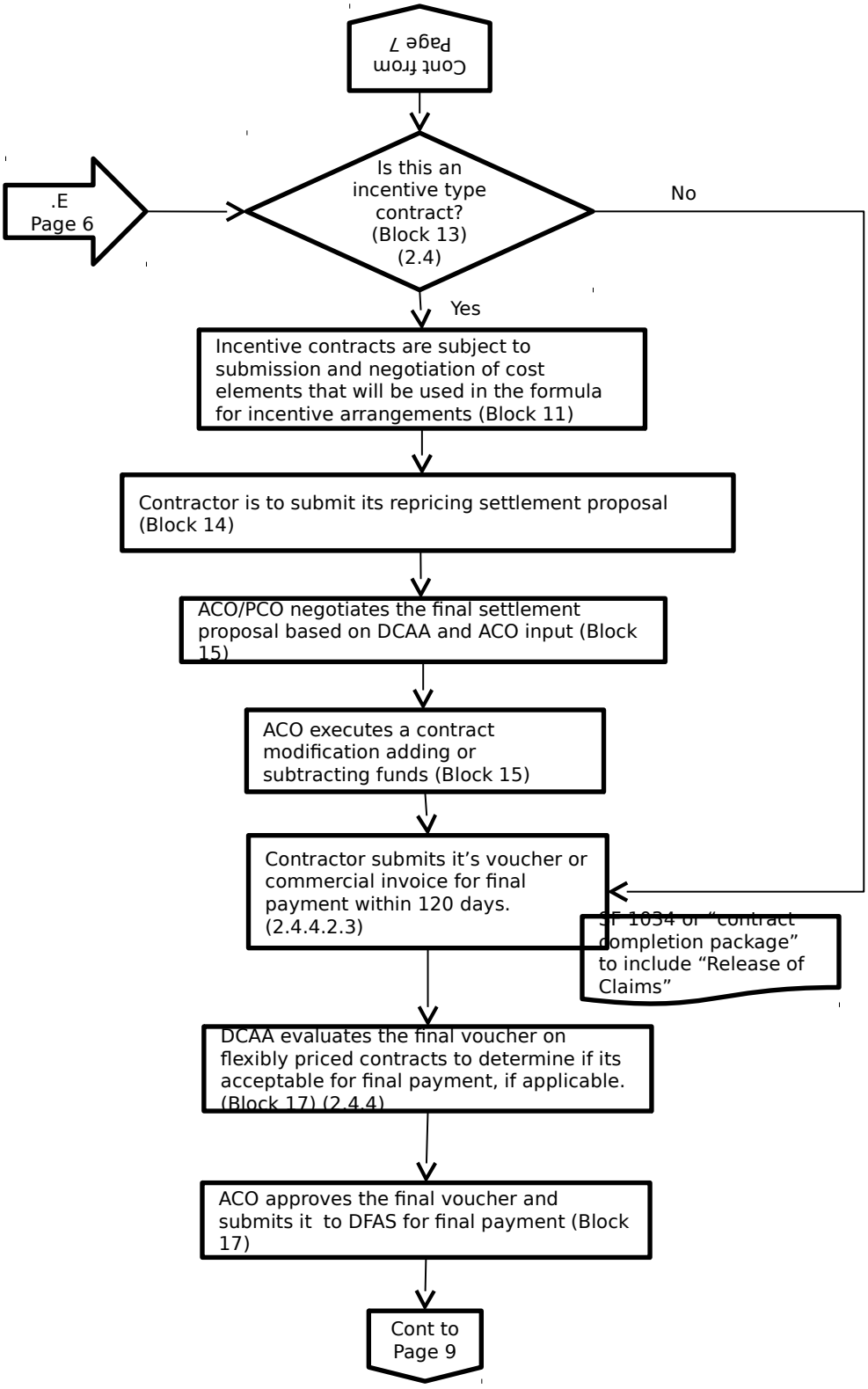
Contract Close Out


Cont from Page 5
Does the contract include VECP? FAR 52.248-1 (2.2.6)
No
Yes
Are there outstanding VECPs requiring payment or disposition? (Block 6k)
No
Yes
ACO verifies that there are no outstanding VECPs requiring payment or disposition (Block 6k)
Are all actions definitized?
No
Yes
Contractor must submit final overhead cost proposal to the contracting officer within 180 days after the end of the contractor's fiscal year (Block 9)
ACO verifies all outstanding actions definitized.
Does this contract require Indirect Rates (Block 7)(2.4)
Yes
No
.D Page 9
Have all indirect rates that apply to the contract been audit determined/ACO negotiated? (Block 8) (2.4.3)
No
Yes
.E Page 8
H Page 7
Can ACO negotiate Quick Closeout Rates? (3.0)
Yes
No
ACO negotiates QC Rates? DCAA assistance maybe requested (2.4.3.1)
Yes
No
G Page 7
Cont to Page 7

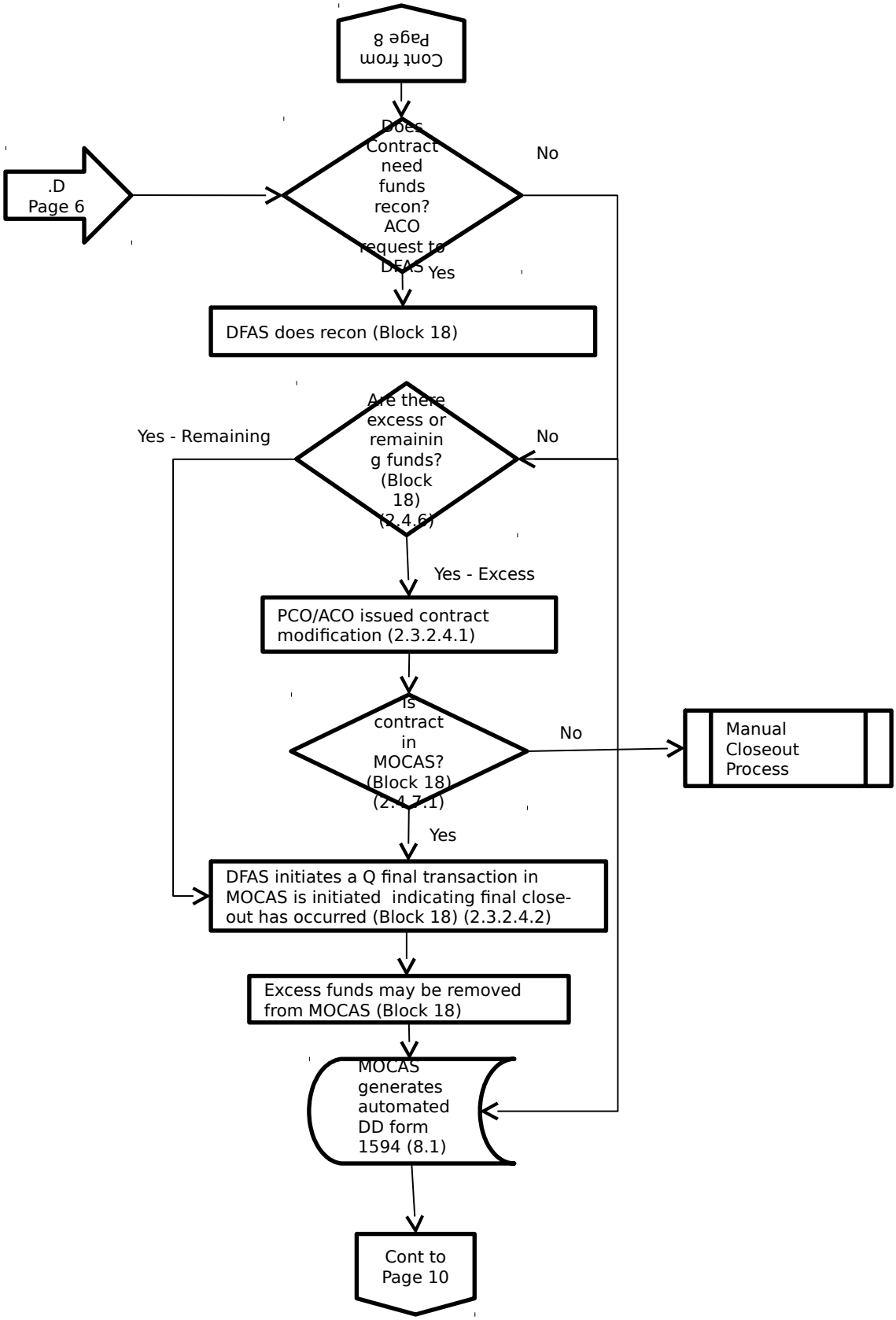
Contract Close Out


Cont from Page 6
.F Page 6
FAR 42.708 mandates negotiation to settle indirect costs prior to establishing final indirect cost rates. ACOs should maximize the use and flexibility of the quick close-out process (Block 10)
FAR 42.708
Is the contract physically complete?
Is the amount of unsettled direct & indirect cost to be allocated to the contract no more than $1,000,000 or 10% whichever is less ? Has a risk assessment been performed, can agreement be reached. Can agreements be reached on a reasonable estimate of allocable dollars? (Block 10) (3.0)
Yes
H Page 6
.G Page 6
No
Gov't/Contractor must audit determine/ACO negotiate or establish all applicable indirect costs and overhead rates (Block 8)
DCAA is responsible for reviewing the yearly submissions of the contractor's final overhead cost proposals (Block 11)
DCAA is responsible for providing a report/memo to ACO, including establishing indirect rates if the rates are audit determined (Block 11)
If the rates are ACO determined then, ACO negotiates final overhead rates for contractor entity under his cognizance based on the DCAA audit report/memo. (block 12)
Cont to Page 8

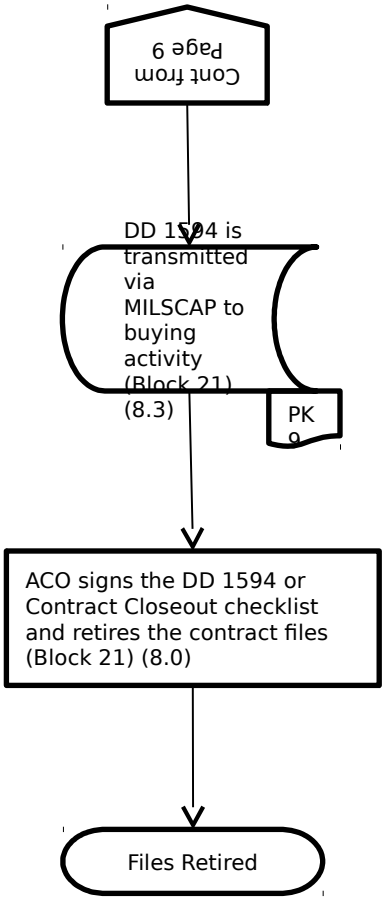
Contract Close Out


Cont from Page 7
Is this an incentive type contract? (Block 13) (2.4)
.E Page 6
No
Yes
Incentive contracts are subject to submission and negotiation of cost elements that will be used in the formula for incentive arrangements (Block 11)
Contractor is to submit its repricing settlement proposal (Block 14)
ACO/PCO negotiates the final settlement proposal based on DCAA and ACO input (Block 15)
ACO executes a contract modification adding or subtracting funds (Block 15)
Contractor submits it's voucher or commercial invoice for final payment within 120 days. (2.4.4.2.3)
SF 1034 or "contract completion package" to include "Release of Claims"
DCAA evaluates the final voucher on flexibly priced contracts to determine if its acceptable for final payment, if applicable. (Block 17) (2.4.4)
ACO approves the final voucher and submits it to DFAS for final payment (Block 17)
Cont to Page 9

Contract Close Out


Cont from Page 8
Does Contract need funds recon? ACO request to DFAS
No
.D Page 6
Yes
DFAS does recon (Block 18)
Are there excess or remainin g funds? (Block 18) (2.4.6)
Yes - Remaining
No
Yes - Excess
PCO/ACO issued contract modification (2.3.2.4.1)
Is contract in MOCAS? (Block 18) (2.4.7.1)
No
Manual Closeout Process
Yes
DFAS initiates a Q final transaction in MOCAS is initiated indicating final close-out has occurred (Block 18) (2.3.2.4.2)
Excess funds may be removed from MOCAS (Block 18)
MOCAS generates automated DD form 1594 (8.1)
Cont to Page 10

Contract Close Out


Cont from Page 9
DD 1594 is transmitted via MILSCAP to buying activity (Block 21) (8.3)
PK 9
ACO signs the DD 1594 or Contract Closeout checklist and retires the contract files (Block 21) (8.0)
Files Retired